



Innovative Connectivity in Texas

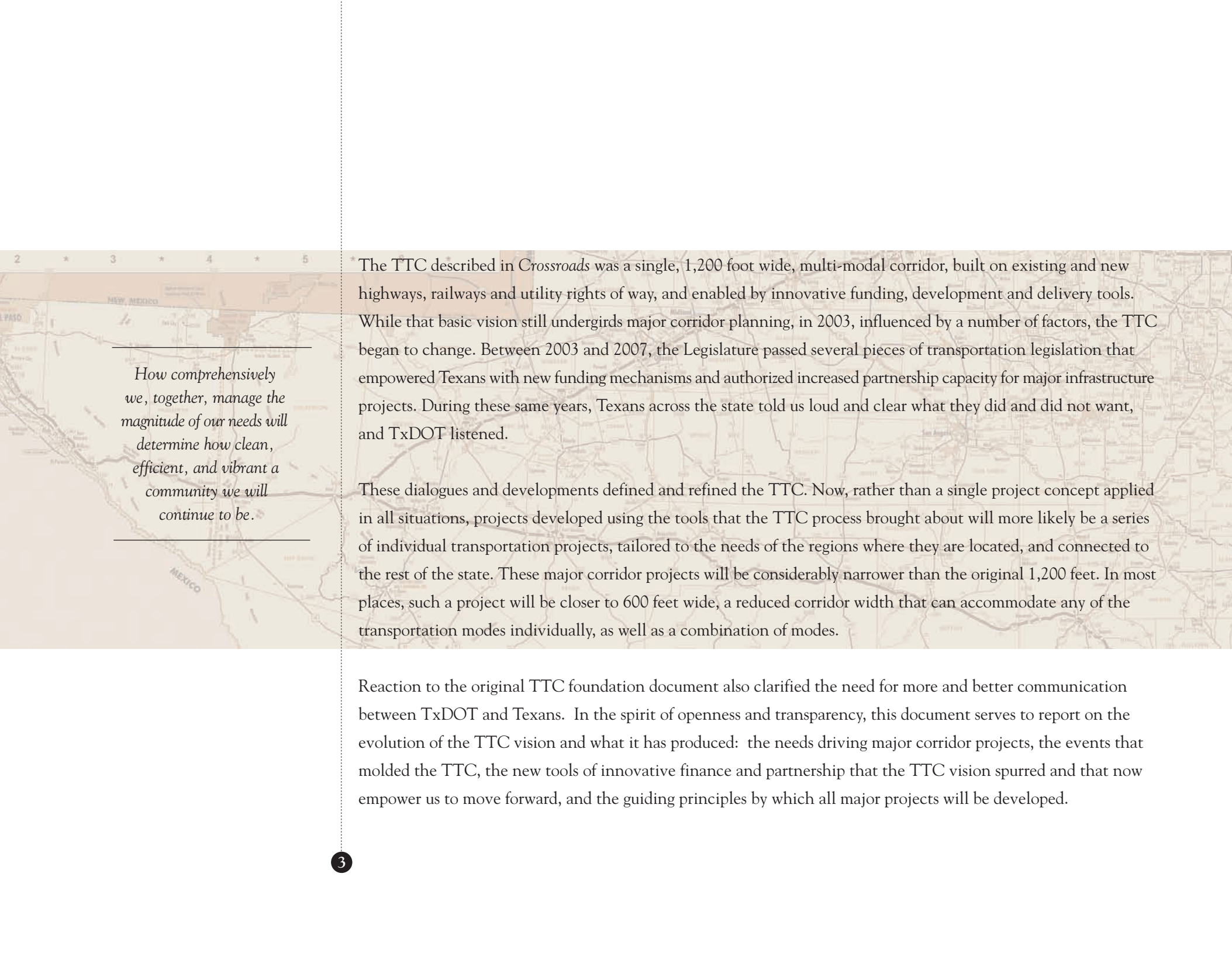
Strategic Corridors: Innovative Connectivity in Texas

In the spirit of openness and transparency, this document serves to report on the new tools of finance and partnership that the TTC vision spurred, and the guiding principles by which all major projects will now be developed.

Like states nationwide, Texas has been challenged in recent years to find new ways to deliver transportation solutions. One of the state's responses to that challenge was the Trans-Texas Corridor (TTC). An introductory concept at its beginning in 2002, the TTC has evolved since its first appearance. The bold, broad strokes of the original concept are no longer with us, but its introduction brought about new legislation, and increased public dialogue and innovative agency input. The result is that the initial vision of the TTC has grown into a program of potential solutions for major corridor development that we can act on today. Following is the story of that transformation.

In 2002, Governor Rick Perry and the Texas Department of Transportation (TxDOT) unveiled a vision for managing growth and mobility in Texas: the Trans-Texas Corridor. *Crossroads of the Americas: The Trans-Texas Corridor* was the vision's foundation document, and it presented a preliminary plan for improving transportation in Texas. Well-meaning and ambitious, that document was meant to provide a starting point and a broad framework for solving our state's complex, and long-term mobility challenges. The document did not, however, identify itself as an initial concept that would naturally be followed by an evolutionary planning process, a process that would transform it many times before it was complete. As a result, this initial vision quickly became the stimulus for intense dialogue among local communities, government representatives, TxDOT and other stakeholders.



A faint, sepia-toned map of Texas and surrounding regions, including parts of New Mexico, Oklahoma, and Mexico. The map shows major cities, highways, and geographical features. The text is overlaid on the left side of the map.

*How comprehensively
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* The TTC described in *Crossroads* was a single, 1,200 foot wide, multi-modal corridor, built on existing and new highways, railways and utility rights of way, and enabled by innovative funding, development and delivery tools. While that basic vision still undergirds major corridor planning, in 2003, influenced by a number of factors, the TTC began to change. Between 2003 and 2007, the Legislature passed several pieces of transportation legislation that empowered Texans with new funding mechanisms and authorized increased partnership capacity for major infrastructure projects. During these same years, Texans across the state told us loud and clear what they did and did not want, and TxDOT listened.

These dialogues and developments defined and refined the TTC. Now, rather than a single project concept applied in all situations, projects developed using the tools that the TTC process brought about will more likely be a series of individual transportation projects, tailored to the needs of the regions where they are located, and connected to the rest of the state. These major corridor projects will be considerably narrower than the original 1,200 feet. In most places, such a project will be closer to 600 feet wide, a reduced corridor width that can accommodate any of the transportation modes individually, as well as a combination of modes.

Reaction to the original TTC foundation document also clarified the need for more and better communication between TxDOT and Texans. In the spirit of openness and transparency, this document serves to report on the evolution of the TTC vision and what it has produced: the needs driving major corridor projects, the events that molded the TTC, the new tools of innovative finance and partnership that the TTC vision spurred and that now empower us to move forward, and the guiding principles by which all major projects will be developed.



What's in a Name?

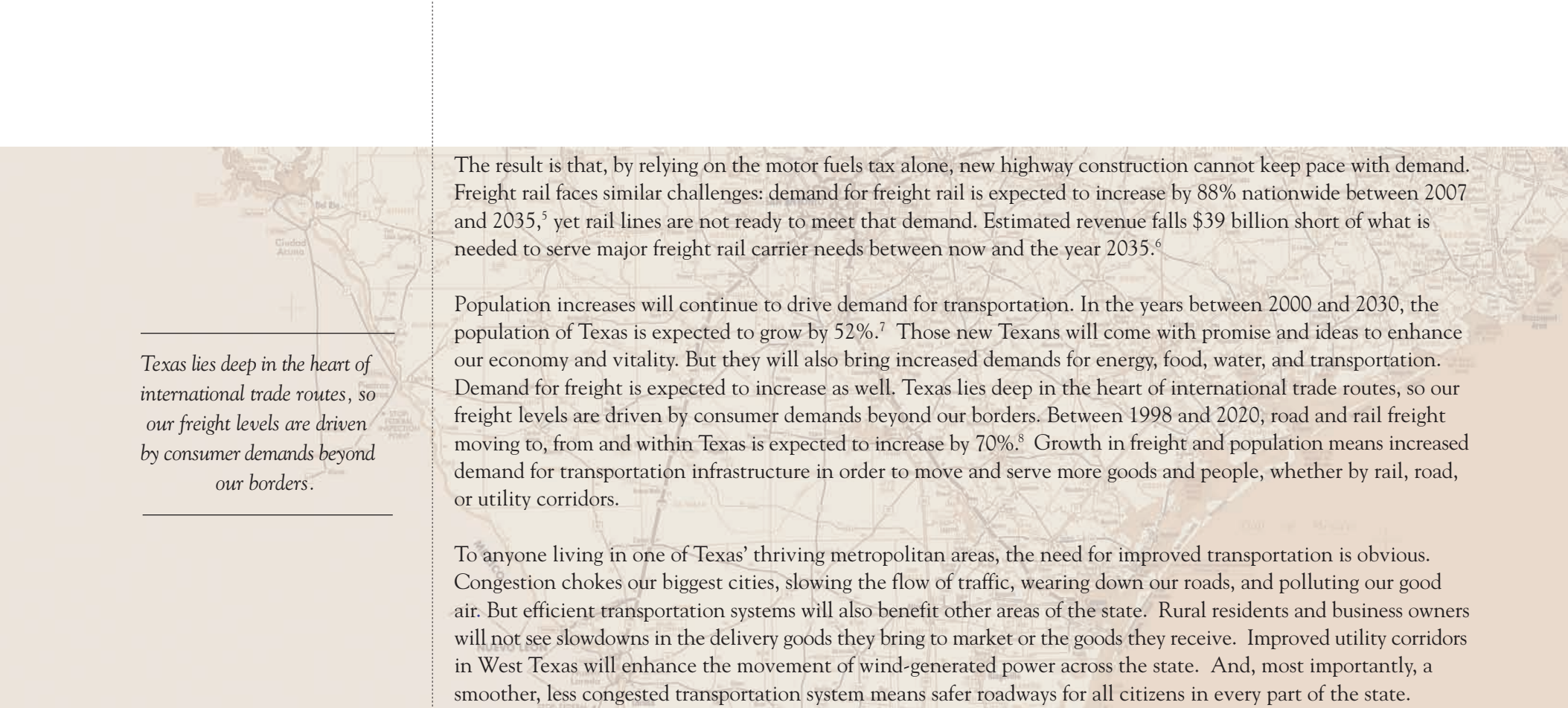
Quite a lot. The Trans-Texas Corridor name has taken on unintended meaning that can obscure the facts. The Texas Department of Transportation has decided to put the name to rest. Instead, we will implement a corridor program that will house the tools of innovative project development and delivery springing from TTC events, but will use the names generally associated with individual projects from the beginning, such as State Highway 130, Interstate 69, and Loop 9. However, a complete transition away from the TTC moniker will take time because many legal documents, studies, and sections of state law currently refer to the Trans-Texas Corridor. For example, TTC-35 and I-69/TTC continue to bear the TTC name because it is used throughout the many legal documents describing and authorizing the projects.

Population increases will continue to drive demand for transportation.

New Demands, New Needs

Though the introductory TTC concept has diminished, the need for new transportation solutions has increased. During the last half of the 20th century, Texas developed and operated a world-class highway system. That system was financed primarily by the motor fuels tax commonly referred to as the gas tax, a funding mechanism which many say is starting to outlive its time. For example, the National Surface Transportation Policy and Revenue Study Commission notes that “simply raising the Federal fuel tax and putting more money into the same programs will not be acceptable,” and that after 20 years, “actions will be required...to replace the fuel tax with a more sustainable revenue source.”¹ For many reasons, motor fuels taxes are declining at the same time that roadway use is increasing. From 1980 to 2006, Texas’ population has increased by 65%,² and its road use has increased by 120%.³ The state’s roadway capacity, however, has only grown by 9%.⁴





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The result is that, by relying on the motor fuels tax alone, new highway construction cannot keep pace with demand. Freight rail faces similar challenges: demand for freight rail is expected to increase by 88% nationwide between 2007 and 2035,⁵ yet rail lines are not ready to meet that demand. Estimated revenue falls \$39 billion short of what is needed to serve major freight rail carrier needs between now and the year 2035.⁶

Population increases will continue to drive demand for transportation. In the years between 2000 and 2030, the population of Texas is expected to grow by 52%.⁷ Those new Texans will come with promise and ideas to enhance our economy and vitality. But they will also bring increased demands for energy, food, water, and transportation. Demand for freight is expected to increase as well. Texas lies deep in the heart of international trade routes, so our freight levels are driven by consumer demands beyond our borders. Between 1998 and 2020, road and rail freight moving to, from and within Texas is expected to increase by 70%.⁸ Growth in freight and population means increased demand for transportation infrastructure in order to move and serve more goods and people, whether by rail, road, or utility corridors.

To anyone living in one of Texas' thriving metropolitan areas, the need for improved transportation is obvious. Congestion chokes our biggest cities, slowing the flow of traffic, wearing down our roads, and polluting our good air. But efficient transportation systems will also benefit other areas of the state. Rural residents and business owners will not see slowdowns in the delivery goods they bring to market or the goods they receive. Improved utility corridors in West Texas will enhance the movement of wind-generated power across the state. And, most importantly, a smoother, less congested transportation system means safer roadways for all citizens in every part of the state.

More Than Just A Road:

What, Where, and When

Many priorities influence the what, when and where of a specific project. First and foremost is the commitment to build only those projects that serve unique regional needs and that can be integrated into a comprehensive, statewide transportation network. Whenever and wherever possible, TxDOT will consider improving existing resources like

roadways, rail lines and already acquired right of way before breaking new ground, thereby minimizing the need to acquire additional right of way. In this spirit, the state and its regional partners must strike a balance between regional needs, statewide connectivity and existing assets to determine exactly what will be built, and when and where.

What: A major transportation project can be many things, including a freight or passenger railroad, a utility corridor, a freight shuttle, a passenger highway, a truck-only highway, or a combination of these modes, depending on specific need. One area may only need increased rail, while another may need increased roadway freight capacity, but not rail. Existing finance and partnership tools provide for either or both of these possibilities. They even authorize regions to build utility corridors so that fuel, data, water or energy may travel via conduits such as pipeline, fiber optic, or transmission line to or from regions that may not need any new road or rail at all.

Where: Decision makers must also weigh diverse factors and specific needs when choosing corridor location. The need to connect people and places to one another, to provide access to airports, ports, population centers and resources, will influence route selection. Equally important is the need to preserve the environmental assets and economic vitality of an area. Mode preference and existing right of way will also affect route selection. For example, an existing roadway that can be expanded might lend itself to increasing highway capacity in that location, but the need for a freight rail line, or to avoid a historically significant area, might suggest other locations. Final route selection is also influenced by the recommendations of local communities and advisory committees. These on-the-ground stakeholders are best situated to help define what location will deliver the greatest benefit and least disturbance in meeting regional needs.

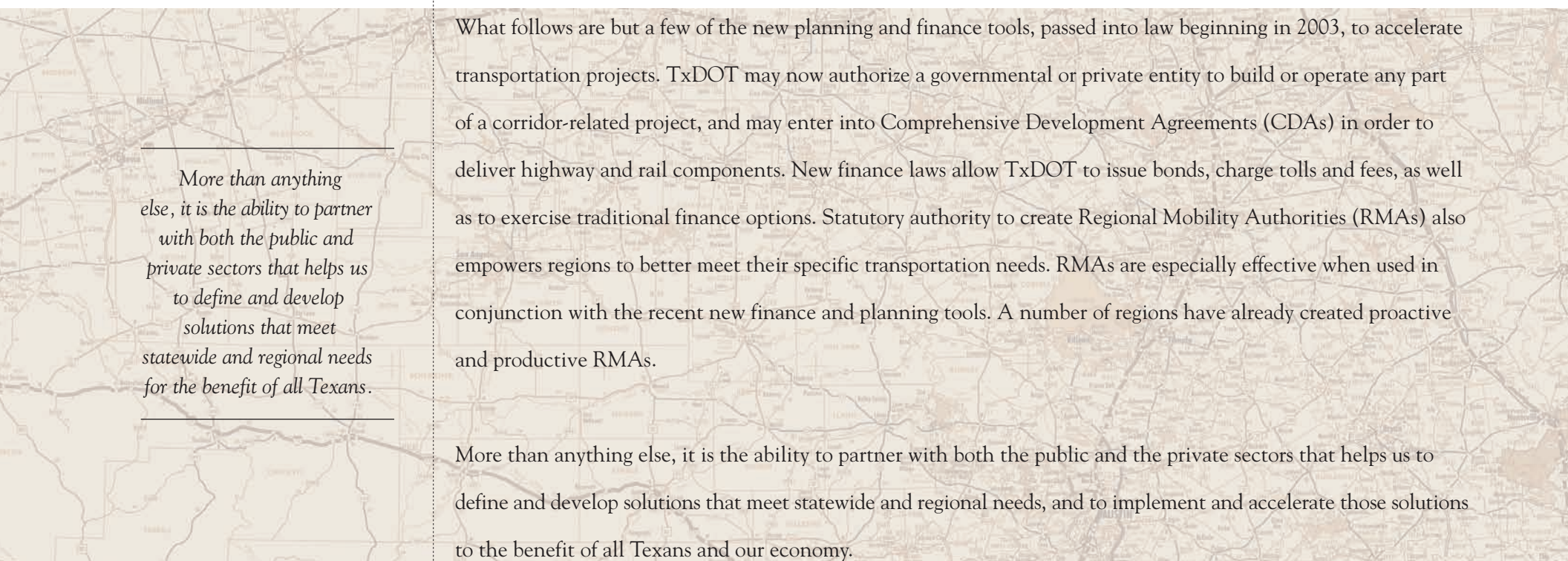
When: The time line for any major project will emerge as needs arise, and not before. Like any other transportation project, once started, a major corridor project will develop in stages according to time lines specified during that process. Rules governing such projects support both short- and long-range project plans. Until a region identifies a specific transportation need, however, there is no time line.

Funding: The final factor shaping any major project is funding availability, and large transportation projects are no different. However, new funding mechanisms can enable and accelerate a single or multimodal project. These mechanisms, defined by state law, apply to toll and non-toll roads, rail and utilities. Partnerships with regional governments may also influence an area's ability to implement a project by helping to close a funding gap.

The state and its regional partners must strike a balance between regional needs, statewide connectivity and existing assets to determine exactly what will be built, and when and where.

How Do We Get There From Here?

How comprehensively we, together, manage the magnitude of our needs will determine how clean, efficient, and vibrant a community we will continue to be. State law passed in the last six years provides numerous tools of finance, enhanced regional decision making, and increased partnership opportunities to help address these needs.



More than anything else, it is the ability to partner with both the public and private sectors that helps us to define and develop solutions that meet statewide and regional needs for the benefit of all Texans.

What follows are but a few of the new planning and finance tools, passed into law beginning in 2003, to accelerate transportation projects. TxDOT may now authorize a governmental or private entity to build or operate any part of a corridor-related project, and may enter into Comprehensive Development Agreements (CDAs) in order to deliver highway and rail components. New finance laws allow TxDOT to issue bonds, charge tolls and fees, as well as to exercise traditional finance options. Statutory authority to create Regional Mobility Authorities (RMAs) also empowers regions to better meet their specific transportation needs. RMAs are especially effective when used in conjunction with the recent new finance and planning tools. A number of regions have already created proactive and productive RMAs.

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A faint, sepia-toned map of Texas and surrounding regions (New Mexico, Oklahoma, Louisiana, and parts of the Midwest) serves as the background for the page. The map shows major highways, cities, and geographical features.

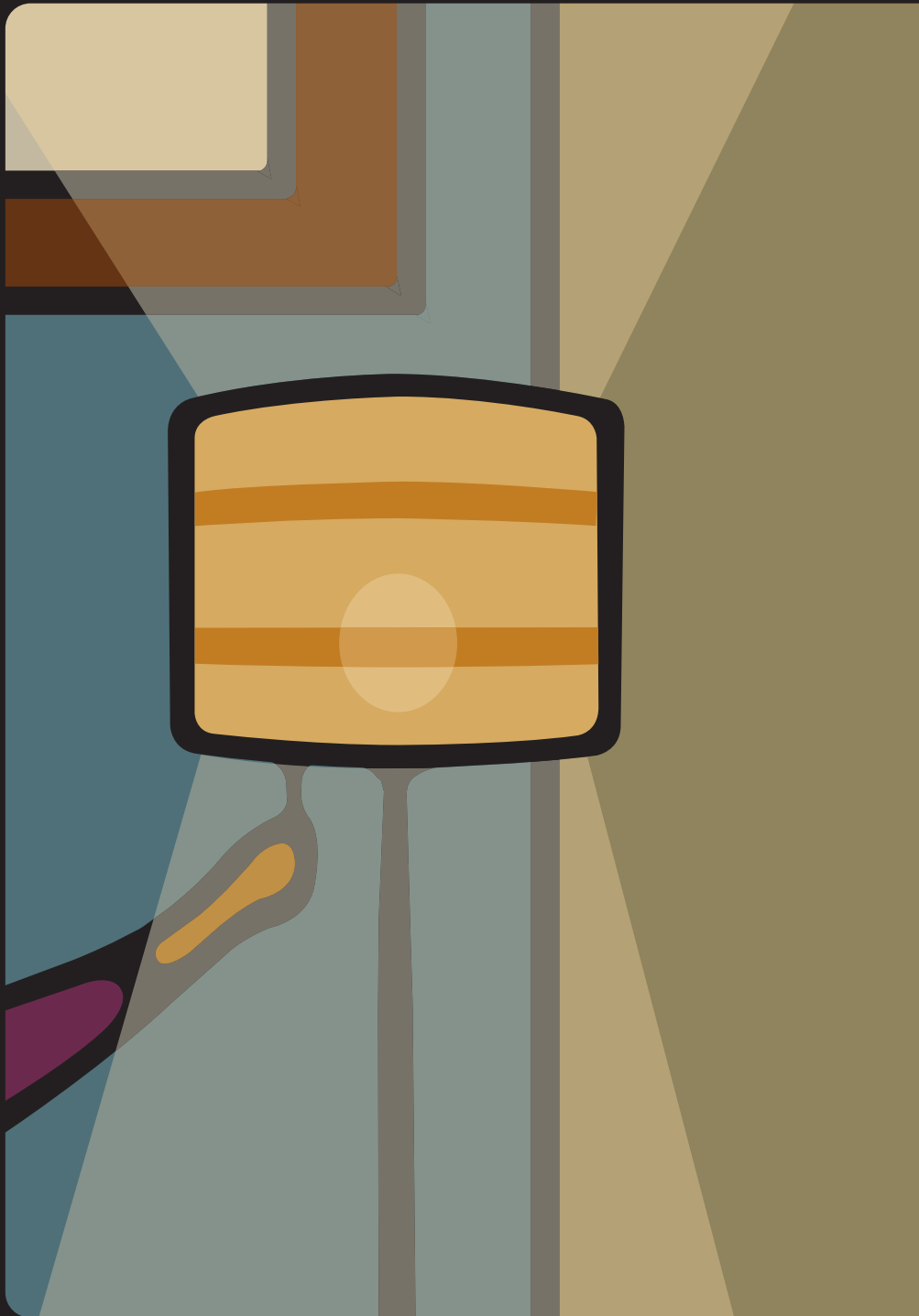
Public Involvement

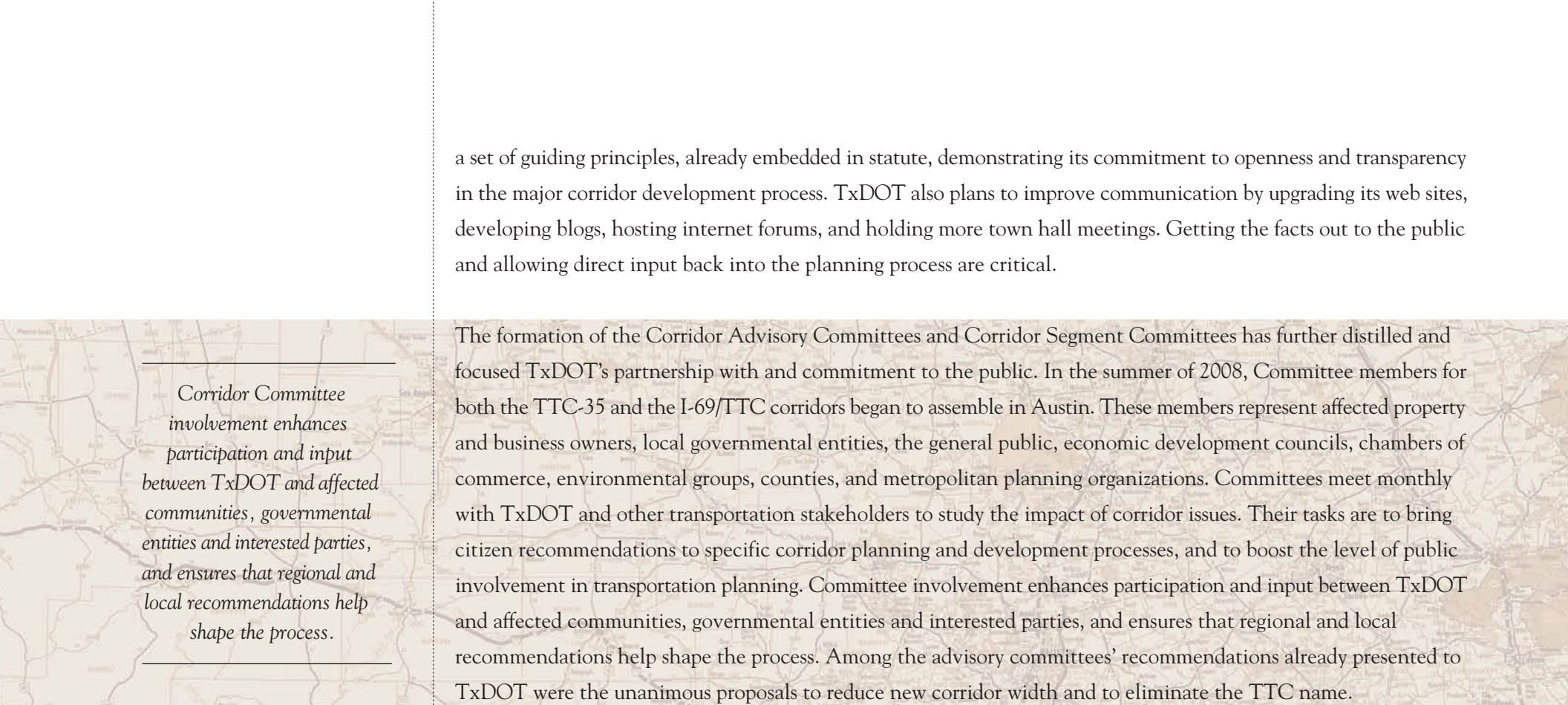
Getting the facts out to the public and allowing direct input back into the planning process are critical.

One unique aspect of the TTC planning process that has facilitated public involvement is the two-tiered environmental review process we have followed thus far. The environmental studies for the first two priority projects, TTC-35 and I-69/TTC, comply with the National Environmental Policy Act of 1969 (NEPA). Because of project size, however, TxDOT is using a two-phased, or “tiered,” NEPA approach for these first two corridors. In the first phase (Tier One), TxDOT conducts a broad, corridor-level analysis and seeks public input in order to narrow a large study area down to a smaller, more focused study area in which to evaluate transportation improvements in the second phase (Tier Two). During Tier Two, TxDOT conducts more detailed studies to identify specific alignments for transportation facilities. Tier Two also provides additional public involvement opportunities to allow the public and TxDOT to discuss how interconnected facilities can benefit local communities and the state.

Partnerships with the public have taken two significant forms in the TTC planning process. The first was a public outreach program of unprecedented scope that surpassed the standard, legally required public hearing process for all transportation planning processes. In addition to satisfying the required, formal comment and response process, TxDOT voluntarily hosted a public open house period before each TTC public hearing in an effort to foster community discussion and answer questions. Still, at the conclusion of the formal hearings, both TxDOT and the public wanted to continue the dialogue.

Therefore, on our own initiative, TxDOT held a series of town hall meetings, so that we could speak freely with those we serve. At times uncomfortable and contentious, these meetings nevertheless produced dedicated and constructive dialogue between TxDOT and the general public. They revealed many transportation-specific and regional concerns that the public and TxDOT were able to openly discuss. They also emphasized the public’s desire for increased transparency and better communication in TxDOT’s planning process. In response, TxDOT developed





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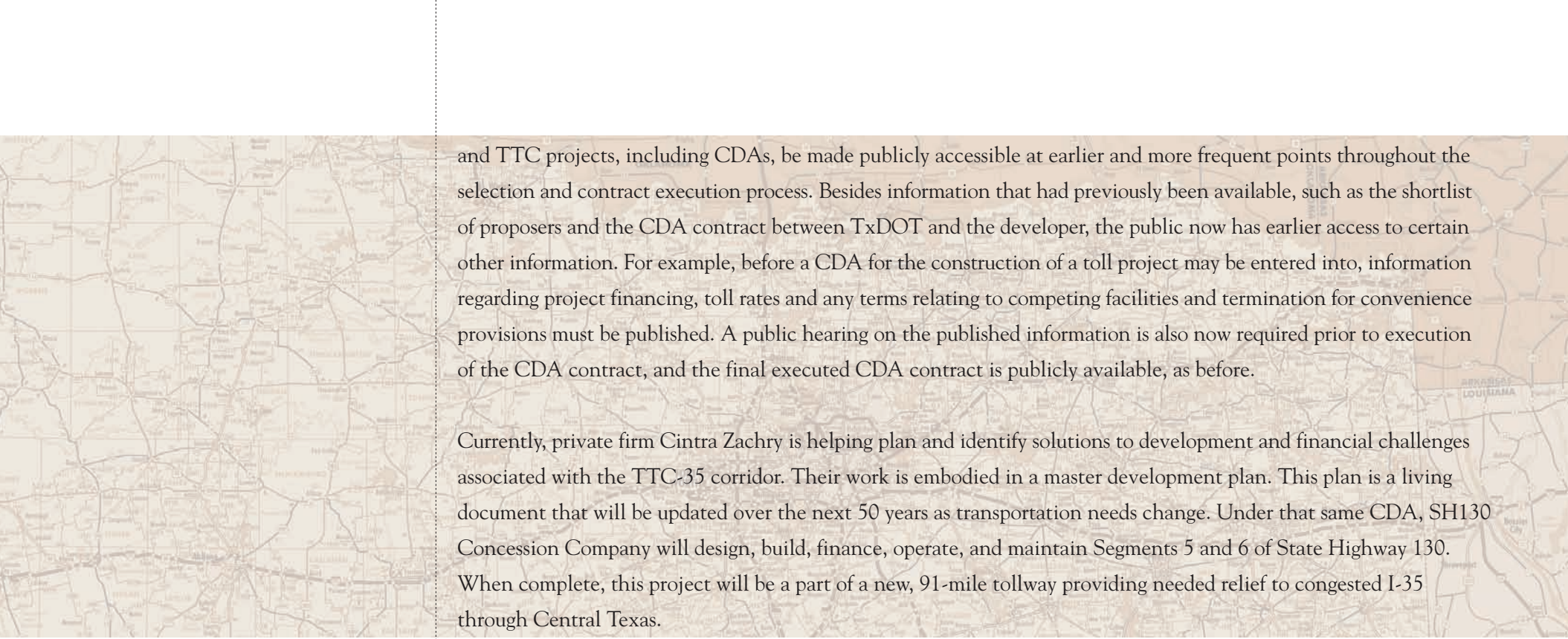
a set of guiding principles, already embedded in statute, demonstrating its commitment to openness and transparency in the major corridor development process. TxDOT also plans to improve communication by upgrading its web sites, developing blogs, hosting internet forums, and holding more town hall meetings. Getting the facts out to the public and allowing direct input back into the planning process are critical.

The formation of the Corridor Advisory Committees and Corridor Segment Committees has further distilled and focused TxDOT's partnership with and commitment to the public. In the summer of 2008, Committee members for both the TTC-35 and the I-69/TTC corridors began to assemble in Austin. These members represent affected property and business owners, local governmental entities, the general public, economic development councils, chambers of commerce, environmental groups, counties, and metropolitan planning organizations. Committees meet monthly with TxDOT and other transportation stakeholders to study the impact of corridor issues. Their tasks are to bring citizen recommendations to specific corridor planning and development processes, and to boost the level of public involvement in transportation planning. Committee involvement enhances participation and input between TxDOT and affected communities, governmental entities and interested parties, and ensures that regional and local recommendations help shape the process. Among the advisory committees' recommendations already presented to TxDOT were the unanimous proposals to reduce new corridor width and to eliminate the TTC name.

Partnerships with the Private Sector

TxDOT has also successfully partnered with private sector firms for the planning and implementation of transportation projects using a Comprehensive Development Agreement (CDA). Developing transportation projects under CDAs is both innovative and unfamiliar in Texas. It is therefore important that all Texans have access to these arrangements so that they can understand them. Changes made to state law in 2007 now require that information relating to toll

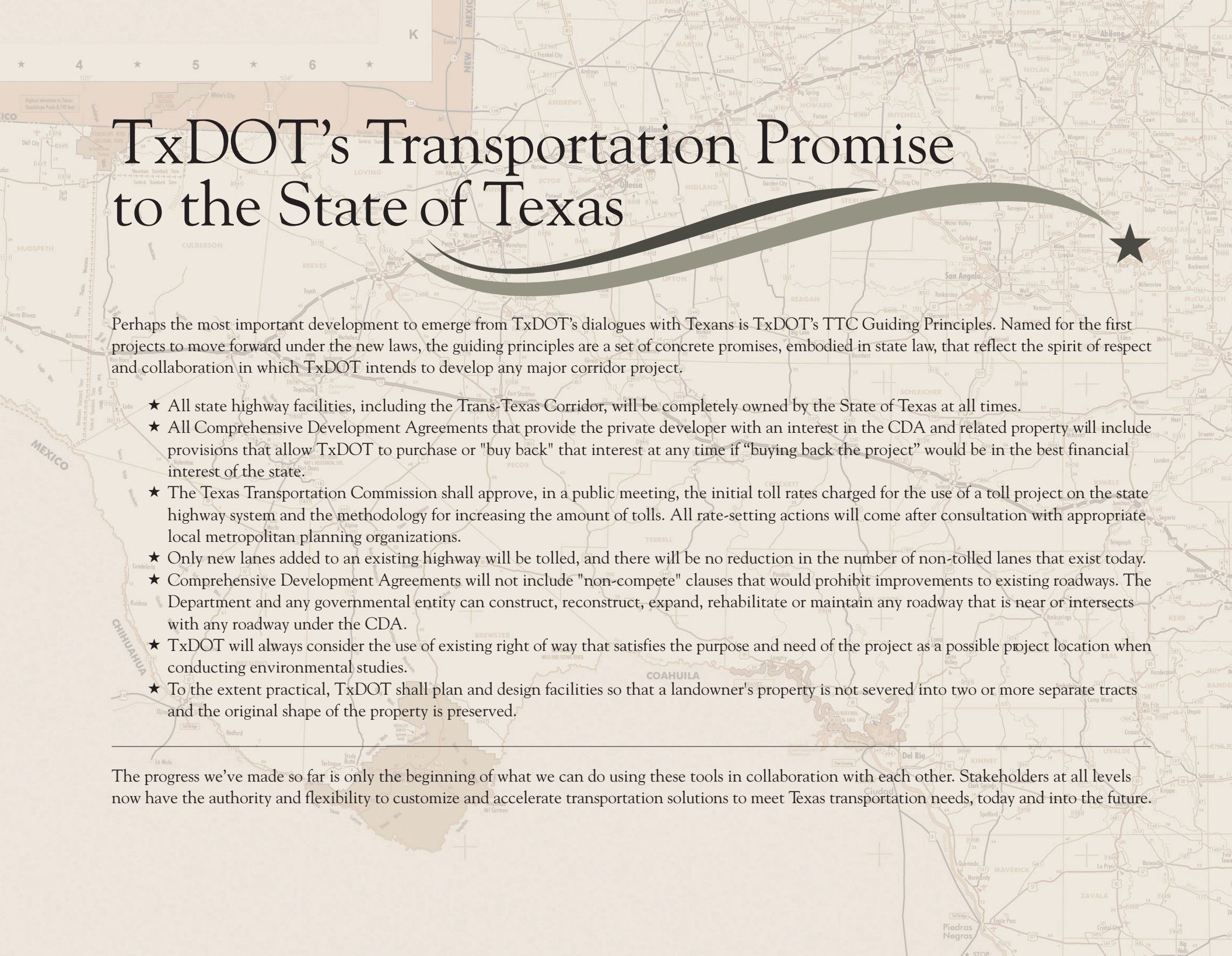




and TTC projects, including CDAs, be made publicly accessible at earlier and more frequent points throughout the selection and contract execution process. Besides information that had previously been available, such as the shortlist of proposers and the CDA contract between TxDOT and the developer, the public now has earlier access to certain other information. For example, before a CDA for the construction of a toll project may be entered into, information regarding project financing, toll rates and any terms relating to competing facilities and termination for convenience provisions must be published. A public hearing on the published information is also now required prior to execution of the CDA contract, and the final executed CDA contract is publicly available, as before.

Currently, private firm Cintra Zachry is helping plan and identify solutions to development and financial challenges associated with the TTC-35 corridor. Their work is embodied in a master development plan. This plan is a living document that will be updated over the next 50 years as transportation needs change. Under that same CDA, SH130 Concession Company will design, build, finance, operate, and maintain Segments 5 and 6 of State Highway 130. When complete, this project will be a part of a new, 91-mile tollway providing needed relief to congested I-35 through Central Texas.



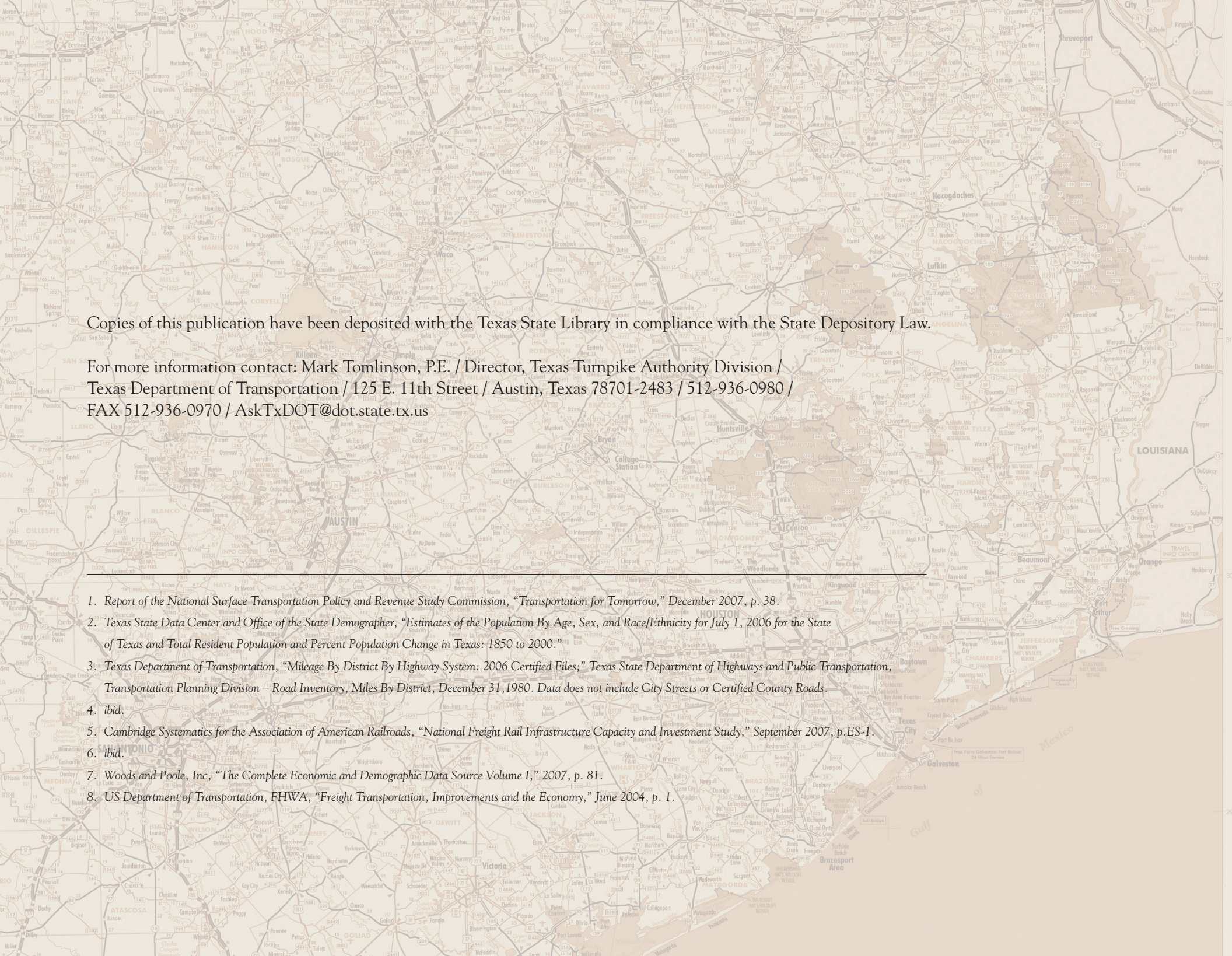
A map of Texas serves as the background. A large, dark grey wavy line starts from the left side of the map, curves upwards and then downwards, ending near a black star located over San Antonio. The title text is overlaid on the upper portion of the map.

TxDOT's Transportation Promise to the State of Texas

Perhaps the most important development to emerge from TxDOT's dialogues with Texans is TxDOT's TTC Guiding Principles. Named for the first projects to move forward under the new laws, the guiding principles are a set of concrete promises, embodied in state law, that reflect the spirit of respect and collaboration in which TxDOT intends to develop any major corridor project.

- ★ All state highway facilities, including the Trans-Texas Corridor, will be completely owned by the State of Texas at all times.
- ★ All Comprehensive Development Agreements that provide the private developer with an interest in the CDA and related property will include provisions that allow TxDOT to purchase or "buy back" that interest at any time if "buying back the project" would be in the best financial interest of the state.
- ★ The Texas Transportation Commission shall approve, in a public meeting, the initial toll rates charged for the use of a toll project on the state highway system and the methodology for increasing the amount of tolls. All rate-setting actions will come after consultation with appropriate local metropolitan planning organizations.
- ★ Only new lanes added to an existing highway will be tolled, and there will be no reduction in the number of non-tolled lanes that exist today.
- ★ Comprehensive Development Agreements will not include "non-compete" clauses that would prohibit improvements to existing roadways. The Department and any governmental entity can construct, reconstruct, expand, rehabilitate or maintain any roadway that is near or intersects with any roadway under the CDA.
- ★ TxDOT will always consider the use of existing right of way that satisfies the purpose and need of the project as a possible project location when conducting environmental studies.
- ★ To the extent practical, TxDOT shall plan and design facilities so that a landowner's property is not severed into two or more separate tracts and the original shape of the property is preserved.

The progress we've made so far is only the beginning of what we can do using these tools in collaboration with each other. Stakeholders at all levels now have the authority and flexibility to customize and accelerate transportation solutions to meet Texas transportation needs, today and into the future.

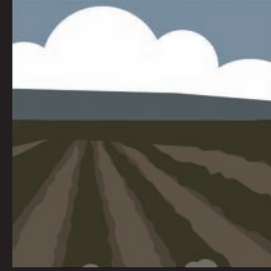
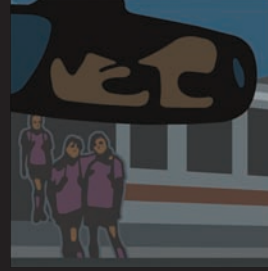


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For more information contact: Mark Tomlinson, P.E. / Director, Texas Turnpike Authority Division /
Texas Department of Transportation / 125 E. 11th Street / Austin, Texas 78701-2483 / 512-936-0980 /
FAX 512-936-0970 / AskTxDOT@dot.state.tx.us

1. Report of the National Surface Transportation Policy and Revenue Study Commission, "Transportation for Tomorrow," December 2007, p. 38.
2. Texas State Data Center and Office of the State Demographer, "Estimates of the Population By Age, Sex, and Race/Ethnicity for July 1, 2006 for the State of Texas and Total Resident Population and Percent Population Change in Texas: 1850 to 2000."
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4. *ibid.*
5. Cambridge Systematics for the Association of American Railroads, "National Freight Rail Infrastructure Capacity and Investment Study," September 2007, p.ES-1.
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7. Woods and Poole, Inc., "The Complete Economic and Demographic Data Source Volume I," 2007, p. 81.
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T H E T E X A S D E P A R T M E N T O F T R A N S P O R T A T I O N



125 E. 11th St.
Austin, Texas 78701